

HEALTH CONNECTOR PLANS: FREQUENTLY ASKED QUESTIONS FOR DEPARTMENTS

Why are employees being asked to join health insurance plans?

The Commonwealth of Massachusetts now requires all adults who can afford health insurance to have coverage. You should direct employees not eligible for coverage through the Group Insurance Commission (GIC) to visit the Commonwealth Health Connector's website at www.mahealthconnector.org or call 1-877-MA-ENROLL to compare their health insurance options. Persons who are hearing impaired may use TTY service by calling 1-888-213-8163. *The Commonwealth of Massachusetts' Employer ID # is 149683.*

What is a Section 125 plan?

Section 125 of the U.S. tax code allows employees to purchase various benefits, including health insurance coverage, on a pre-tax basis. This is called a Section 125 plan, or a cafeteria plan. Employers are not required to contribute to the purchase of these benefits. However, employees can still achieve significant savings by purchasing these benefits on a pre-tax basis through a Section 125 plan. The Commonwealth is making available a plan allowing employees who are not eligible for GIC coverage to purchase health insurance on a pre-tax basis through the Health Connector. Under the plan, payments for this health insurance would be deducted from an employee's paycheck from the Commonwealth.

Who is eligible?

All Commonwealth employees (receiving a W-2 and paid through HR/CMS or e*mpac-UMass) not eligible for health insurance through GIC are eligible to purchase coverage through the Health Connector on a pre-tax basis. Independent contractors, who are not employees of the Commonwealth, are not eligible for this Section 125 plan benefit.

What is the enrollment period?

Employees hired prior to September 10, 2007 have a special enrollment period – regardless of hire date, these employees will have until October 10, 2007 to enroll in a Commonwealth Choice health plan.

Eligible employees hired on or after September 10, 2007 will have 45 days from the date of hire (or loss of GIC eligibility) to enroll in a Commonwealth Choice health plan. Employees who do not enroll within 45 days must wait for the annual Open Enrollment Period, which takes place May 1-May 30 for coverage effective July 1 or August 1, depending on when the election is made during this month, in order to pay on a pre-tax basis. If an employee misses the initial enrollment period, he or she may still purchase health insurance directly from the Health Connector on a post-tax basis.

How do employees join?

Using the Commonwealth of Massachusetts' employer identification number as login information (*Employer ID # 149683*), the employee should go to www.mahealthconnector.org or call 1-877-MA-ENROLL to compare and select a plan. Persons who are hearing impaired may use TTY service by calling 1-888-213-8163.

After an employee is hired or becomes eligible, HR/CMS will automatically pass eligibility information to the Health Connector. The Health Connector will add the employee to the

Commonwealth's Group Plan. After seven business days, employees should be able to shop using the *Commonwealth of Massachusetts' Employer ID # 149683*.

Be aware that employees will be asked to enter the last four digits of their Social Security number, their date of birth and zip code which will be verified against the file sent from the payroll system, HR/CMS or e*mpac. This will complete verification so the employee can then compare and select a plan. If a mismatch occurs, employees will be directed back to their payroll office.

For pre-tax coverage, the selection of coverage must be made within the 45-day new hire enrollment period. After 45 days, the login information will no longer be valid.

Electing coverage (or "shopping") sooner will help expedite the start of payroll deductions and avoid any need for additional payments.

How will an employee's paycheck be affected?

It is the employee's responsibility to ensure that the monthly premium is being paid in full, and that deductions are taken in a timely manner and from the correct Job Record(s).

Premium deductions are based on the employee's selected coverage and will occur in the first two pay periods of every month. The employee can also elect to have additional deductions taken. All Health Connector deductions are taken on a pre-tax basis.

Who will enter the payroll deduction in HR/CMS?

Departments will receive a deduction report every month to input into HR/CMS. This will be coordinated by the Comptroller's Office. The deduction code for the standard premium is CCAHI – "Commonwealth Connector Health Ins".

Due to varying work schedules, some employees may request additional deductions to meet monthly costs. The additional deduction amount code is CCAMU. Additional deduction amounts will be data entered by departments based on employees' requests.

What is the HIRD form, and how do I use it?

The Division of Health Care Finance and Policy requires departments to keep records on all Commonwealth employees who do not participate in GIC insurance coverage ("Employer Sponsored") or Health Connector coverage (Section 125 Cafeteria Plan). The Health Insurance Responsibility Disclosure (HIRD) Form must be completed within 30 days of hire if the employee does not elect GIC or Health Connector coverage. If the employee terminates GIC or Health Connector coverage, he or she must complete the HIRD form within 30 days of plan termination. Additionally, employees who do not elect coverage during the GIC's annual enrollment or the Health Connector's open enrollment must complete a HIRD form within 30 days of the end of those enrollment periods.

The forms are retained at the department for three years and must be made available to the Division of Health Care Finance and Policy or the Department of Revenue upon request. Answers to the HIRD Form must be recorded in the Health Insurance Benefits Options (HIBO) panel in HR/CMS.

How will HIRD form compliance be tracked?

To help departments manage HIRD form compliance, a new panel will be created in HR/CMS: Health Insurance Benefits Options (HIBO). New hires or qualifying events that change employees' eligibility status may require a HIRD form and HIBO maintenance. A Job Aid is available on HRCMS.

What are the effective dates of coverage?

Once an employee has enrolled, it will ordinarily take two pay periods for the employee to fully pay a month's premium for health insurance through the Health Connector, and coverage will begin on the first day of the month after which the full premium has been paid. Employees who enroll later in the month should consider increasing their first deduction amount by contacting their payroll director, or making direct payments to the Health Connector, to expedite the start of the coverage period.

Can employees purchase a plan before their coverage begins?

Employees who are waiting for benefit coverage to begin can purchase coverage directly from the Health Connector on a post-tax basis by visiting www.mahealthconnector.org and purchasing a plan through the "Individual and Family" shopping option. They may also call 1-877-MA-ENROLL. Persons who are hearing impaired may use TTY service by calling 1-888-213-8163. All such activity will occur outside the Commonwealth's Section 125 plan and will not be deducted through payroll. Thus, it will not receive the pre-tax benefit.

Is an employee who is eligible for GIC coverage also eligible for coverage under the Section 125 plan for non-GIC eligible employees during the two month waiting period before GIC benefits begin?

No. This Section 125 pre-tax benefit plan is only available to employees who are not eligible for GIC coverage. However, employees who are waiting for GIC coverage to begin can purchase coverage directly from the Health Connector on a post-tax basis (*see answer to previous question*).

Rules Regarding Payments/Delinquency

- Department receives enrollment information and deducts premium.
- Commonwealth makes payment based on deductions taken (Commonwealth is not responsible for any premium shortfall).
- Accounts are considered delinquent when a partial premium payment, or no payment, is received prior to the first day of the coverage month.
- Payment can be received up to four business days prior to the first day of coverage month.
- If an account is delinquent for 60 days from the first day of the coverage month in which payment is due, coverage will be terminated.

- Re-instatement of lapsed coverage is allowed twice per plan year as long as all back premiums and reinstatement fees are paid by the subscriber and coverage has not lapsed for longer than 90 days.
- There are no late fees.